

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of John W. Richardson as Receiver for the Alisal Water Corporation to sell and transfer the water systems in Monterey County.

Application 05-03-003  
(filed March 4, 2005)

Application of John W. Richardson as Receiver for the Alisal Water Corporation to sell and transfer the Moss Landing water system in Monterey County.

Application 05-03-006  
(filed March 4, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING  
CONSOLIDATING PROCEEDINGS, GRANTING LEAVE  
FOR LATE FILING, REQUIRING FILING OF REPLY TO PROTEST,  
AND SETTING PREHEARING CONFERENCE**

**Consolidation**

This ruling consolidates the application of John W. Richardson (Alisal Water Corporation), to sell and transfer the water systems in Monterey County to Pajaro Sunny Mesa Community Service District and the application of John W. Richardson (Alisal Water Corporation) to sell and transfer the Moss Landing water system in Monterey County to Pajaro Sunny Mesa Community Service District.

The applications concern the same sellers and buyers; the applications present the identical support for the proposed transactions, including that the seller has been ordered to dispose of the systems pursuant to the order of the District Court; and the protest filed to both applications, under motion to permit late-filing granted in this ruling, raises the same objections to both applications.

The applications therefore involve related questions of law and fact, and are consolidated pursuant to Rule 55 of the Commission's Rules of Practice and Procedure.

### **Motion to Accept Late-Filed Protest**

On April 27, 2005, one day after the time previously granted by the administrative law judge for filing protests, Alisal Water Corporation filed a request for acceptance of its late-filed protest to the applications. No opposition was filed to the request. Alisal Water Corporation's protest is accepted for filing.

### **Reply to Protest**

Protestant Alisal Water Corporation raises seven objections to the application, which raise the following issues:

1. Whether the receiver lacks standing to file these applications;
2. Whether the application complies with Rule 35(c), which requires applications to provide detailed reasons for entering into the proposed transaction and the facts warranting it;
3. Whether the application complies with Rule 35(b) requiring a statement of the book cost and original cost of the property to be transferred;
4. Whether the Commission should defer action on these applications pending resolution of Alisal Water Corporation's appeal of the District Court order upon which the Applicant relies as the basis for this application;
5. Whether the District Court divestiture order is outside of the District Court's jurisdiction and unsupportable as a matter of law and fact;
6. Whether the sale prices proposed in these applications and approved by the District Court are improper and confiscatory; and

7. Whether the Applicants have violated the law by transferring operational and managerial control without prior Commission approval in violation of Pub. Util. Code § 856.

Alisal Water Corporation also asserts that evidentiary hearings are needed on the following issues:

1. Whether there have been violations of law or commission regulations that require divestiture;
2. Whether the District Court properly found that the utilities owners lack the managerial resources to own and operate the utility systems to be transferred;
3. Whether the price and terms of the sales deprive the utility owners of just compensation;
4. Whether the value of the prospective desalinization plant at Moss Landing is a benefit that belongs to the current owners and ratepayers; and
5. Whether the proposed transferee is fit and has shown good reason for the transactions.

This ruling directs the applicant to file, by no later than Tuesday, May 31, 2005, a reply addressing these issues including (1) applicant's response to Alisal Water Corporation's assertion that the applicant lacks standing to file these applications, (2) applicant's response to Alisal Water Corporation's recommendation that the Commission defer action on these applications pending resolution of its appeal of the District Court order, (3) whether the issues identified by Alisal Water Corporation are properly before the Commission, and (4) which issues, if any, require evidentiary hearings.

### **Prehearing Conference**

This ruling sets a prehearing conference for Tuesday, June 7, 2005, at 9:30 a.m. in the Commission's Courtroom, State Office Building, 505 Van Ness

Avenue, San Francisco, California. At the prehearing conference, the Commission may address the schedule of the proceeding, more clearly formulate the issues, arrange for the exchange of proposed exhibits or prepared testimony, and address other matters as may expedite the orderly conduct and disposition of the proceeding.

**IT IS RULED** that:

1. Applications (A.) 05-03-003 and A.05-03-006 are consolidated.
2. Alisal Water Corporation's request to file its late-filed protests is granted.
3. Applicant is directed to file a reply to the protest of Alisal Water Corporation addressing the matters set forth in the ruling no later than Tuesday, May 31, 2005. Applicants shall serve a copy on assigned Administrative Law Judge (ALJ) Hallie Yacknin, 505 Van Ness Avenue, San Francisco, California. (ALJ Yacknin's e-mail address is hsy@cpuc.ca.gov.)
4. The Commission will hold a prehearing conference on Tuesday, June 7, 2005, at 9:30 a.m., in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

Dated May 17, 2005, at San Francisco, California.

/s/ HALLIE YACKNIN  
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Hallie Yacknin  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Consolidating Proceedings, Granting Leave for Late Filing, Requiring Filing of Reply to Protest, and Setting Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated May 17, 2005, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda Pulmano

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.